

Message Text

UNCLASSIFIED

PAGE 01 SEOUL 02825 072135Z
ACTION TRSE-00

INFO OCT-01 EA-12 ISO-00 H-02 EB-08 FRB-01 /024 W
-----046529 081315Z /43

R 070830Z APR 78
FM AMEMBASSY SEOUL
TO AMEMBASSY LUXEMBOURG
INFO SECSTATE WASHDC 317

UNCLAS SEOUL 2825

DEPT PASS TREASURY

E.O. 11652: NA
TAGS: EFIN, LU, KS
SUBJECT: TAX LIABILITY ON US BANK LOANS TO KOREA

REF: (A) LUXEMBOURG 287
(B) LUXEMBOURG 379

1. TECHNICALLY, INTEREST EARNED BY FOREIGN BANK ON LOAN TO KOREAN BORROWERS IS RPT IS SUBJECT TO KOREAN CORPORATE INCOME TAX, WHETHER OR NOT FOREIGN BANK IS INCORPORATED IN KOREA. ACCORDING TO LOCAL BANKING SOURCE HOWEVER, KOREAN GOVERNMENT ROUTINELY WAIVES TAXES FOR MOST LOANS INDUCED FROM ABROAD. FOREIGN BANK IS ADVISED TO ENSURE THAT CLAUSE TO THAT EFFECT IS INCLUDED IN LOAN AGREEMENT.

2. DOUBLE TAXATIONLTREATY BETWEEN U.S. AND KOREA WAS SIGNED IN 1976 BUT IS STILL AWAITING U.S. CONGRESSIONAL RATIFICATION. WE ANTICIPATE THAT CONGRESSIONAL ACTION WILL BE TAKEN THIS YEAR.
SNEIDER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SEOUL02825
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780152-0602
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780480/aaaacqcg.tel
Line Count: 46
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bdf834b4-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 1
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 LUXEMBOURG 287, 78 LUXEMBOURG 379
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3039719
Secure: OPEN
Status: NATIVE
Subject: TAX LIABILITY ON US BANK LOANS TO KOREA
TAGS: EFIN, LU, KS
To: TRSY LUXEMBOURG
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/bdf834b4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014